



NASA Financial Management Manual

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FMM 9012 FORWARD FUNDING MANAGEMENT POLICY

9012-1 PURPOSE

The purpose of this chapter is to establish a Forward Funding Management policy to assist NASA in assuring sound funds management. Forward funding consists of unobligated budget authority and uncosted obligations that were available for obligation or costing in the current fiscal year but were not obligated or costed during that period. These amounts do not include unobligated budget authority or uncosted obligations in which the program year is 5 years past expiration as these accounts are closed and are no longer available for any purpose. Forward funding balances will be portrayed in terms of equivalent months of a fiscal year's budget authority that will be carried into the following fiscal year.

9012-2 APPLICABILITY

The provisions of this chapter apply to forward funding balances under all appropriations available to NASA.

9012-3 REFERENCES

- a. NASA Policy Directive (NPD) 9050.3_ "Administrative Control of Appropriations."
- b. NASA Policy Directive (NPD) 7000.3_ "Allocation and Control of Agency Resources."
- c. NASA Procedures and Guidelines (NPG) 5800.1, Grant and Cooperative Agreement Handbook.
- d. NASA memorandum, dated August 2, 2002, Subject: Freedom to Manage Actions on Simplifying the Operating Plan Process (AA/2002-00031) and Disbursing 100 percent of Appropriated Funds after Operating Plan Approval (AA/2002-00028).
- e. NASA Federal Acquisition Regulation (FAR) Supplement 1832.702-70.
- f. The Management and Liquidation of Budget Authority, (Draper Report), June 1996.



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9012-4 POLICY

- a. Enterprises and Functional Offices will manage 2-year funds against Agency guidelines for uncosted obligations and unobligated balances at the program or project level as appropriate. These thresholds will be used as a composite of all types of contractual instruments, programs, and projects to include contracts, cooperative agreements, grants, interagency agreements, purchase orders and Space Act agreements. The following thresholds are provided as an indication of what are considered to be reasonable unobligated and uncosted carryover:
 - (1) Unobligated budget authority will consist of 1 month of available funds for reserves to compensate for estimating uncertainties or new obligations;
 - (2) Uncosted obligations will consist of 6 months for grants, 1 month for operations and 2 months for development programs.
- b. Thresholds will not change in any material way the accommodation of potential termination liability.
- c. The Office of the CFO will periodically evaluate the appropriateness of established thresholds and revise as necessary.
- d. The NASA budget is based on the assumption of appropriation availability at the beginning of the year. Forward funding should not be planned to cover full, normal program operations during periods of continuing resolution.
- e. Grants and cooperative agreements are fully funded or incrementally funded based on fiscal law and program considerations. However, incremental funding will be considered for grants with anticipated government fiscal year funding exceeding \$100,000 or when funding is limited by a continuing resolution. Grants exceeding \$100,000 will not be obligated at the maximum amount of funding available to cover contract performance without consideration of whether actual costing would occur in the current fiscal year. If it is planned or anticipated that less than 80% of funds available will be costed in the program year, maximum funding must be justified.
- f. Contracts that are incrementally funded must meet criteria prescribed in NASA Federal Acquisition Regulation (FAR) Supplement provisions.
- g. Unobligated funds and uncosted obligations at the program/project level should be reviewed during Center and Headquarters Program Management Council meetings. These reviews will determine the reasonableness of unobligated funds and uncosted obligation balances that exceed established thresholds and identify fund redistributions that could warrant consideration in the Congressional Operating Plan and/or Agency budget formulation processes. Early detection of excess balances will provide the Agency greater opportunities for alternative uses of available funds.